



Week in Regulation

Energy Efficiency Rules and the PATRIOT Act Drive Another Billion-dollar Week

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If the regulatory front seems busy lately, that's because it is. One must go back roughly two months to find a [week's worth](#) of rulemaking that was not measured in the billions of dollars. The past week continued this trend. There were 11 rulemakings last week that contained some measurable economic impact, with three of those crossing the billion-dollar mark. The main items of the week were two final rules from the Department of Energy (DOE) setting efficiency standards and a proposed rule bringing "investment advisers" into fold of certain verification and reporting requirements. Across all rulemakings, agencies published \$7.3 billion in total costs and added 4.6 million annual paperwork burden hours.

REGULATORY TOPLINES

- Proposed Rules: 31
- Final Rules: 59
- 2024 Total Pages: 45,959
- 2024 Final Rule Costs: \$1.2 trillion
- 2024 Proposed Rule Costs: \$36.3 billion

NOTABLE REGULATORY ACTIONS

The pair of DOE efficiency standards made up the most consequential action of the week. The [first](#) focuses on "Air-Cooled Commercial Package Air Conditioners and Heat Pumps," and brings nearly \$4.6 billion in total "Consumer Incremental Product Costs." In a trend noted here [before](#), this rule came as a "direct final rule" based upon an apparent [consensus](#) among relevant stakeholders. DOE had a companion [proposed rule](#) published concurrently. The other [set](#) of standards focused on circulator pumps and brought roughly \$1.2 billion in total costs. That rule came about via the more traditional proposed-to-final rulemaking track.

The other billion-dollar rulemaking of the week was a joint [proposal](#) from the Financial Crimes Enforcement Network and Securities and Exchange Commission regarding “Customer Identification Programs for Registered Investment Advisers and Exempt Reporting Advisers.” Under the apparent statutory auspices of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, better known as the “PATRIOT Act,” the proposed rule would require “investment advisers to implement reasonable procedures to verify the identities of their customers.” The agencies estimate that the compliance burdens of this proposal amount to 3.8 million hours of paperwork and \$453 million in commensurate costs annually. Over the three-year period in which paperwork requirements are officially cleared, this would add up to nearly \$1.4 billion.

TRACKING THE ADMINISTRATIONS

As we have already seen from [executive orders and memos](#), the Biden Administration will surely provide plenty of contrasts with the Trump Administration on the regulatory front. And while there is a general expectation that the current administration will seek to broadly restore Obama-esque regulatory actions, there will also be areas where it charts its own course. Since the AAF RegRodeo data extend back to 2005, it is possible to provide weekly updates on how the top-level trends of President Biden’s regulatory record track with those of his two most recent predecessors. The following table provides the cumulative totals of final rules containing some quantified economic impact from each administration through this point in their respective terms.

TRACKING THE ADMINISTRATIONS

REGULATORY ACTIVITY FROM INAUGURATION DAY TO MAY 24th (Year 4)

	FINAL RULES	FINAL RULE COSTS	PAPERWORK HOURS
BIDEN 2021	937	\$1.64T	293M
TRUMP 2017	1000	-\$160B	77.7M
OBAMA 2009	1264	\$303.3B	238.2M

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With the set of efficiency standards from DOE discussed above, Biden-era final rule costs crept up by another \$5.9 billion. Given the scale that the to-date total has reached, \$5.9 billion now amounts to something of a rounding error. Nevertheless, the trend remains directionally the same as it generally has over recent weeks. Across the other administrations covered here, the only notable shift came in the Trump Administration’s paperwork total with a 3.7-million-hour spike. A Trump-era Department of Education [rule](#) regarding “Nondiscrimination on the Basis of Sex in Education Programs or Activities Receiving Federal Financial

Assistance” was the main driver of that increase.

TOTAL BURDENS

Since January 1, the federal government has published \$1.23 trillion in total net costs (with \$1.2 trillion in new costs from finalized rules) and 47.7 million hours of net annual paperwork burden increases (with 15.7 million hours coming from final rules).

